

Marketing: Not just for savings bonds anymore by Paul Vogelzang

"What we do, we do very well; but what we do well today, and how we do it, is not what will be needed to address the marketing challenges of the future."

My April 25 letter to Marketing Office employees led off with this blunt assessment of where we've been and where we're going. It referred to our vision statement that expands on the words of Under Secretary Peter Fisher:

"To promote the broadest primary market for Treasury securities that technology, our imaginations, and our effort can allow, initially by creating a balanced marketing effort for (a) direct auction participation; (b) on-line "retail" products; and (c) savings bonds."

As a result of this vision and a series of studies and management reviews, Public Debt management has decided on far-reaching changes in how the Bureau markets Treasury securities. Some of the key changes:

1. We are no longer the Savings Bonds Marketing Office. The Bureau decided in 2000 to market Treasury securities as a continuum that embraces savings bonds, marketable securities sold to individuals, and securities sold to institutional investors. It has placed responsibility for this marketing effort with the Marketing Office.
2. Our marketing efforts focus on direct account relationships between the investor and the Treasury. These relationships will be built around electronic access. The brand name for these relationships will be TreasuryDirectSM.
3. The core of the TreasuryDirect marketing effort will be an integrated marketing communications strategy that includes professional advertising and public relations. Market research and close tracking of results will guide the effort. In-person sales work with volunteers, employers, and other supporters will play a diminished role.

4. Marketing efforts will be planned and targeted. We will constantly measure their value and cost effectiveness, keep those that optimize the return of investment, and discard those that do not.

Changes for the Marketing Office

The result will be that many traditional marketing activities will be eliminated or curtailed. Instead, offices will perform specialized roles in marketing communications and electronic marketing ("e-marketing"): customer relationship management (CRM); the TreasuryDirect interface with employers; technology and the web-site; as well as advertising, public relations, and market research.

Marketing efforts will be targeted. Our focus will be on TreasuryDirect and the I Bond and on direct participation in securities auctions using Public Debt's TAAPSLink[®] software. Definitive savings bonds are still important but with a distinctly lower priority than they have enjoyed until now.

Public Debt's new marketing strategy is making a big impact on the entire Bureau. Learn about the technological effects on page 8 in this issue of *Of Interest*.

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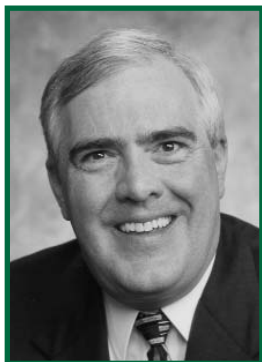
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Commissioner's Corner

The castle walls are lower, the moat is dry, and the drawbridge is down **IT 'magic' is being de-mystified at Public Debt**

There was a time — not all that long ago — when many of us could safely observe Information Technology from a distance. Not only could we view IT from a distance, there wasn't much way to do otherwise. Picture some massive mainframe computer in the middle of a castle with stone walls all around and a protective moat. Things in this land of technology were pretty magical, mystical, and distant.



Van Zeck

Clearly things have changed radically. The pace of change is so fast and there is so much technology literally in our hands these days that the lines between those former IT professionals and us amateurs have blurred permanently. Most of us don't think of ourselves as programmers or system designers or IT analysts, but in some respects we are. We are doing some of these things when we customize our e-mail or word processing software to meet our specific needs or when we design a spreadsheet to accomplish a specific series of tasks. Granted, these basic skills don't position us to earn the big bucks working for some dot-com enterprise; nevertheless, all of this brings us closer to technology and subtly increases our expectations about what the true IT professionals can and should be able to do for us.

Our comfort with new and changing technology and our relative mastery of the end-user elements of our day-to-day technology have made us more

demanding customers. On balance, this is a good thing. As users (amateur IT folks), the more we understand about IT, the greater our comfort and the more capable we become in assisting the professionals in bringing technology to bear to solve real-world business problems in ways that best serve our customers.

This issue of *Of Interest* contains several articles about IT...how it's changing at Public Debt and how it's more connected than ever to our securities and accounting program offices. You will find information on where we have been in the IT area and the changes we have made. You will also get a glimpse of why and how quickly these changes were made.

One article focuses on the future, highlighting the integral role that IT plays in support of program office objectives and how closely the Office of Information Technology is working with its customers. You might be able to detect one of the essential ingredients in today's successful IT projects: how OIT "puts us amateurs to work" to achieve the best possible systems outcome.

There is additional information about Rapid Application Development — what it is, how it has been used, and a little bit about what you might expect if you suddenly find yourself in the middle of a "rapid" project. Finally, you will read about two important IT efforts currently underway. Both of these efforts are being developed in "rapid" fashion so the process that the teams follow is somewhat the same even though OIT's customers and the specific end results are different.

One project, the Treasury **Direct**SM application, already has a few releases under its belt and is about to go public, literally. This

application is the foundation for our retail securities processing and the system through which we will accomplish key strategic objectives over the next few years. This system will introduce the first-ever book-entry savings bond to the public in virtually paper-free accounts where investors directly manage their investments over the Internet. Later, our marketable securities customers will be offered the same control and flexibility for their bill, note, and bond investments.

The second project, FedInvest, uses the same approach to systems development but the system is geared for a different audience. FedInvest is a "younger" project (although it has already gone public) designed to provide the Office of Public Debt Accounting's federal agency customers with the capability to use the Internet to invest and manage massive amounts of money in special securities, all without having to bother the folks in OPDA with such things as faxes and phone calls. Check out this article on page 9 for a remarkable "time to market" story.

What these articles demonstrate is that Public Debt's IT environment is changing, adaptive, and responsive. We now have the ability to build systems faster, more flexibly, and with far greater end-user involvement than in the past. The prospects for improved customer service and reduced costs are exciting and very real. To push the earlier metaphor a bit further: the castle walls are lower, the moat is dry, and the drawbridge is down. Now, for most of us, information technology is no longer distant even though aspects of the magical and mystical still remain.

San Francisco Marketing Office makes Treasury history with radio show

“Welcome to ‘Inside Treasury Today,’ here on KEST Radio in San Francisco.” These were the first words spoken by Rick Corrigan of BPD’s Marketing Office in San Francisco during the debut of the first-ever Treasury radio show.

Rick, project director for the radio show, developed the “Inside Treasury Today” idea more than two years ago. “We wanted to create our own in-house media program that went beyond news stories and public service announcements promoting the savings bonds program,” Rick said. “I felt we had the talent and potential inside our Marketing Office to produce and anchor a weekly radio show about the savings bonds website and Treasury products. Individually and collectively, we had extensive backgrounds in Treasury, public affairs, marketing, and broadcast media.”

The team set out to design a 30-minute pilot radio show with a format that included a weekly topic, an interview segment, and

an open forum for listeners to call and ask questions.

Next, the team proposed the marketing concept to KEST Radio in San Francisco. KEST is owned by Multi-Cultural Broadcasting Corporation in New York and operates 35 stations around the country. KEST Radio is a unique station, offering programming time to various companies, corporations, and organizations marketing a product or service. “We asked for editorial and format control, allowing us the opportunity to promote everything from TreasuryDirect to Savings Bonds Direct. KEST Radio offered us a prime time 11:30 a.m. to 12 noon slot, and a contract for a 30-minute weekly radio show,” Rick explained.

The next hurdle was figuring out who was going to pay for the program. During his visit to the Bay Area in October, BPD’s Executive Director of the Marketing Office Paul Vogelzang talked with the San Francisco staff about the radio show’s marketing potential.

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Rick Corrigan (center) and Bob Sudderth (left) of the San Francisco Marketing Office talked with Jim Sullivan, retired vice chairman, Chevron-Texaco Corporation, during an on-air interview on the radio show “Inside Treasury Today” on KEST Radio in San Francisco. Mr. Sullivan talked about corporate America’s support of the U.S. savings bonds program during the radio program’s debut show.

Marketing, *continued from page 1*

Changes for the rest of the Bureau

If you work elsewhere in the Bureau, the decisions that led to such profound changes for the Marketing Office will likely affect your office and perhaps your work.

Website

Responsibility for the customer experience on Public Debt’s website is being transferred to the Marketing Office. This transfer coincides with a major redesign of the website scheduled for later in the year. The Bureau’s advertising agency is helping with this redesign. We will work closely with affected offices on these changes; watch for details on PDWeb and in a future issue of *Of Interest*.

Products and program

We will all get used to thinking of our product as “Treasury securities,” not savings bonds, T-bills, SLGS, etc. TreasuryDirect is primarily a relationship with our customers, and only secondarily the software that supports the I bond. Customers of *Treasury Direct* Electronic Services (TDES) will learn to think of it as “electronic services for T-bills, notes, and bonds.”

If you were part of the Focus 2000 process that turned SBOO and OSAS into SO and IS, this year’s changes may feel like a continuation of the process.

Public relations

The Commissioner’s Office has transferred responsibility to the Marketing Office for public relations that affect products. The Public Affairs staff retains responsibility for Congressional relations and for presenting the Bureau to the public.